

Budget Message 2023-24 School Year

In accordance with Article 31 Chapter 115 of the General Statutes of North Carolina entitled “The School Budget and Fiscal Control Act,” the budget of Franklin County Schools for the fiscal year 2023-24 is hereby submitted by the Franklin County Board of Education and administrative staff.

The Franklin County Board of Education appreciates the interest that the Franklin County Board of Commissioners has shown for the education of children in our county. Both the goals of Franklin County Schools and the County of Franklin reflect an alignment of priorities as they relate to educational attainment.

Franklin County Schools

Mission: To cultivate a dynamic learning environment focused on success beyond the classroom; preparing, inspiring and illuminating the path so that all students will reach their full potential.

Vision: Building a stronger community one life-long learner at a time

Franklin County Board of Commissioners

Goal 5: Diverse Educational Opportunities

Create a bright future for our County’s students and residents by keeping educational goals and facilities current and relevant to the economic demands of the County.

G5A. Partner with our schools to ensure appropriate funding based on the student population.

G5B. Ensure that school facilities are safe and contribute to a positive learning environment.

Our Priorities

Franklin County Schools is still actively working towards the goals and strategies outlined in our strategic plan, FCS Blueprint 2025. Our work is aligned to these efforts and all funding is directed to accomplish these goals.



Our Priorities

Strategic Plan Goal(s)	Priorities for 2023-24
<p>Academics Goal 1: FCS students will graduate prepared for college, career and life beyond the classroom</p> <p>Goal 2: FCS students will demonstrate proficiency in core academic areas</p>	<p>Expand early opportunities for our students Support quality instruction to address learning gaps through professional development, student assessment, data team work at the school and district levels, and effective integration of technology Target high school programming opportunities to students to increase graduation rate and preparation for college/career</p>
<p>Safe Schools Goal 3: FCS students will be provided with a safe, orderly and caring environment conducive to learning</p>	<p>Address short and long term facilities needs Support efforts to increase safety and security Address student needs that impact the learning process, including physical and mental health and adverse behaviors</p>
<p>High Quality Staff Goal 4: FCS will actively recruit, support and retain high quality professionals</p>	<p>Recruit staff in hard- to- fill areas Retain staff across all areas of operation</p>



Priority Area 1: Academics

Strategic Plan Goal 1: Preparing FCS Students for College, Career and Life Beyond the Classroom and Goal 2: Achieving Student Success in Academic Areas

Academic Progress

The past year has provided us with the opportunity for a return to a more normal, post-COVID environment in our schools. For the first time in several years, we have had all of our students on campus (last year we still offered the virtual academy option for interested families). This has allowed a direct focus on addressing student learning needs in the school setting without interruption.

We started the 2022-23 school year on a positive note, with data to support the progress that was made in the previous year in spite of COVID impact. For several years the state did not issue school performance grades and student growth data, so we received our first look at progress compared to the region and state since the 2018-19 school year.

The biggest takeaway was that Franklin County Schools demonstrated a tremendous amount of academic progress last year, outpacing the state and

region in almost every area. In terms of overall districtwide performance, Franklin County Schools fared very well. 87.5% of our schools met or exceeded growth. 93.8% of our schools increased their composite scores.

The state saw overall gains in student performance of 6 points, where Franklin County Schools saw increases of 10 points. Franklin County Schools outpaced growth of the state on every academic indicator last year (overall, grades 3-8, math grades 3-8, and reading grades 3-8, and grades 9-12, with the only exception being science grades 5 and 8).

We were especially excited about a few specific success stories. Louisburg High School increased their overall performance to 6 points higher than the 2018-19 school year and exceeded growth, achieving a “B” report card grade. The Franklin County Early College High School succeeded in maintaining their “A” report card grade. Franklin County Schools was second in the North Central Region in Math 1 performance, ranking only behind Chapel Hill-Carrboro Schools.

Although we will not complete end of year assessments until later this spring, preliminary data throughout the year has demonstrated that we are on track to make significant academic progress.

Laying a solid foundation for student academic success is of paramount importance. This includes early access to educational opportunities for our students, providing quality instruction to address learning gaps, and implementing programs at the high school level to ensure that students are ready to take next steps based upon their interests.

Starting Early

Continued expansion of early learning opportunities is a priority for Franklin County Schools. During the 2022-23 school year we were able to expand our Pre-Kindergarten (Pre-K) programming to include each of our elementary schools. We began implementation of a birth to kindergarten continuum, increasing our efforts to reach potential Franklin County Schools students early and often prior to their entry into school, including offering Parent & Family Workshops, Circle Time Activities, Educational Resources, Dolly Parton Imagination Library Support and Pre-K Enrollment Support. In January, we distributed over 550 kindergarten readiness packets to Franklin County families.

Exploring Opportunities and Interests

Programmatically, we recognize the importance of providing families with options for exploring interests and receiving rigorous and relevant instruction.

The Franklin County Early College High School (FCECHS) is one option for

families that provides Franklin County students with the opportunity to complete an associate's degree, free of charge, while in high school. This program has demonstrated success in preparing students for college and career. Last year's graduation rate exceeded 90%, and over 90% of graduates completed their associate's degree. We currently have 176 students enrolled in the program, with plans to expand to 300.

Louisburg Magnet High School, formerly Louisburg High School, graduated its first cohort of STEM (Science, Technology, Engineering, Mathematics) Academy students in June of 2021. Despite the challenges of COVID, this program graduated 100% of STEM Academy participants. Students in the program are engaged in STEM- focused competitions, field experiences, service learning, and completion of a portfolio. The success of this program led the district to seek and gain Board of Education approval to expand this to be a magnet program for the 2023-24 school year. All LHS students will participate in one of three pathways- LHS College and Career Pathway, STEM-Focused Program (VGCC) Pathway or Advanced Placement (AP) Diploma Pathway. The STEM-focused pathways lead to certification in areas such as biotechnology and cybersecurity.

Beginning with the 2023-24 school year, high school students from all over the district will receive the opportunity to participate in this Innovation Magnet Program at LHS. Transportation will be provided for interested students.

At the high school level, offering students a variety of opportunities based upon their interests is a priority. We will be implementing a new Career Continuum during the 2023-24 school year that will provide consistency in exposure to learning opportunities around career readiness for all Franklin County Schools students beginning in grade 5. This summer we will be expanding on our Career Accelerator District C Teamship program, and will be offering interest camps for middle school students in the areas of culinary arts, agriculture/horticulture, carpentry and automotive.

We will continue to expand opportunities for success in coursework, including online offerings, Career and College Promise (CCP) opportunities through partnership with VGCC, and a menu of industry-relevant Career and Technical (CTE) course progressions leading to workforce credentials and certifications. During the 2021-22 school year, FCS students earned a total of 2579 CTE credentials and our seniors graduated with 351 college credits.

Priority Area 2: Safe Schools

Strategic Plan Goal 3: Creating a Safe, Orderly and Caring Environment for Students

We are fortunate to have a strong and long-standing partnership with the Franklin County Sheriff's Office and municipalities. This affords us the opportunity to work proactively and, when needed, to react swiftly. We have applied for and received grant funding totaling over \$1.9 million focused on school safety, and have had the support of the Franklin County Board of Commissioners to place a School

Resource Officer (SRO) at each of our traditional school sites. These officers are uniquely trained to work in a school environment, with a primary focus on being a visible and positive daily presence.

We have addressed school safety and discipline through:

- Strong working relationship with local Law Enforcement agencies.
- Student Resource Officer at every school. Recent renewal of North Carolina SRO/Safety Grant.
- Safety planning with Law Enforcement partners.
- Ongoing work with all stakeholders to proactively reduce exclusionary discipline incidents and actions.
- Ongoing work with all stakeholders to proactively reduce reportable/violent offenses.
- Ongoing improvements to door and lock systems.
- Ongoing upgrades to camera system-Safety equipment grant submitted and received to assist with this function.
- Upgrades and improvements to our access control systems. Safety equipment grant submitted and received to assist with this function.
- Systematic review of disciplinary trends and practices.
- Standardized disciplinary procedures.
- **Additional supports include:**
 - Increased psychologist, social worker and nursing support.
 - 8 Contracts with Mental Health Providers funded by FCS to support student mental health needs while at school.
 - 14 MOAs with Mental Health Providers to provide mental health services in school.
 - FCS has applied for a grant to provide de-escalation training to staff at our schools.
 - FCS has applied for and received grant funding to provide services to students in crisis.

Priority Area 3: High Quality Staff

Strategic Plan Goal 4: Recruiting and Retaining High-Quality Staff

In order to ensure the success of our students, we need to make sure that we have caring, competent adults working with our students in all areas of operations. Staffing continues to pose challenges for Franklin County Schools, just as it does other districts across the state of North Carolina. Recruitment and retention of staff is critical to our success as a district.

Financial Incentives

- FCS local longevity bonus
- Secondary math retention bonus
- Exceptional children retention bonus
- Certified sign on bonus
- Certified retention bonus
- Bus driver bonus

- Premium pay for dual employees
- Additional duty pay for staff giving their planning periods for coverage
- Additional duty pay for taking additional classes for instruction and grading
- Premium pay for substitutes
- Bonus for consistent substitutes
- \$15 an hour minimum salary table

Retention/Recruitment Initiatives

- Stay interviews with key employees at each location
- Biannual climate surveys for each school
- Attending in state and out of state educational job fairs
- Engagement with student teachers
- Sharing of best practices with leadership
- Social media advertising
- Local job fair
- Information sessions for individuals looking to enter the teaching field
- Honors event to recognize staff members
- Professional development opportunities with early release days
- Calibration of of evaluations to provide timely constructive feedback

Impact of Longevity Bonus for all Employees

In an effort to promote employee retention in FCS, the Board of Education approved a multi-year longevity bonus for all permanent employees utilizing ESSER (COVID relief) funding. This has allowed the district to provide a retention bonus to employees for the 2021-22, 2022-23, and 2023-24 school year. The stability that this has offered has been invaluable during a time of uncertainty. For our teachers, this means that the local supplement and existing retention bonus, coupled with the longevity bonus, offers a competitive financial supplement of around 16% per teacher. For our classified employees, the additional bonus provides a potentially significant annual financial benefit in addition to an hourly rate of pay. This incentive allows us to retain employees in difficult-to-fill positions such as bus drivers, instructional assistants, child nutrition workers, maintenance and clerical staff.

It is imperative that this longevity bonus be maintained beyond 2023-24 in order for Franklin County Schools to remain competitive with neighboring districts. This will require funding support from the Franklin County Board of Commissioners.

Budget Request 2023-24

Local Current Expense Request

Our budget request for 2023-24 includes a minimum increase in our local current expense of **\$3,417,214**.

Local current expense funds are allocated on a per pupil basis, meaning that an allocation is designated to meet the needs of every child who is a resident of Franklin

County who is served by either charter or public schools. Funds that go to charter schools “pass through” Franklin County Schools and are paid to charters. **The increased budget request for 2023-24, although significant, is fueled by two important factors: Franklin County overall student population growth and unprecedented inflationary rate increases across all areas of operations.**

Significant Student Population Growth

The substantial increase in our request is due, in part, to the significant increase in student population. In the 2022-23 school year, **631** students were newly added and received a per pupil allocation. For the 2023-24 school year, we conservatively project an **additional 354** students in public and charter schools. This is an increase of **985+** students- almost a 10% growth- in a two year period of time.

Inflationary Increases

- In June 2022, the National Consumer Price Index reflected a **9.1%** inflation rate increase (largest in 40 yrs) over the previous year. In 2021, the inflationary rate increased **6.8%**. This means that over a two year period of time, we saw inflation rates increase over **15%**. For 2021-22, the per pupil allocation from the county remained the same, and in 2022-23, instead of receiving a per pupil increase in funding to offset increased inflation, we saw a **3%** reduction in per pupil funding from the county.
- If we had maintained our 2021-22 funding with no growth in ADM (\$21,221,872) and increased the local allotment to reflect a **9%** rate of inflation, we would need an additional **\$1,931,190** to maintain the same level of operations with no increase in enrollment. Instead, we saw a combined enrollment in 2022-23 of **10,426**, up **631** students from last year.
- These inflationary increases are reflected in the cost of goods and services, as well as increases in matching benefit and salary rates. Based upon preliminary projections from the state, we are look at:
 - 1.61 percentage points increase for retirement
 - \$379 more for medical coverage per employee
 - 4% salary increase (average)
- Application of the 9.1% inflation rate increase (instead of the over 15% two year impact of inflation) would result in an increase in the per pupil allotment (PPA) from the 2021-22 rate of **\$2,167** to the range of **\$2,362** to meet budget requirements to support and maintain operations at the same pre-inflationary levels. **We are requesting a PPA for all Franklin County students (public and charter) of \$2,350 for the 2023-24 school year.**

Bottom line: This current expense request is a much larger one than we have had in the past several years. We have been fiscally responsible and have put money back into fund balance by maximizing state, federal, local and COVID relief funds. This led to no requests for additional funding for several years despite increases in the student population in Franklin County.

We have seen dramatic enrollment growth and increased inflationary costs over

the past year. We have dipped into fund balance at a significant level and this is not sustainable beyond the current fiscal year.

In a growing county, projections demonstrate continued growth of both FCS and charter school enrollment.

With that in mind, the 2023-2024 County Appropriation will need to be a minimum of \$3,417,214 more to maintain current salaries, benefits and overall operations. This is a conservative request that does not factor in any legislative changes that may further impact funding.

Additional Details:

Summary of Local Current Expense for 2022-23

In terms of the local current expense allocation, FCS advocated for funding and was required to transfer over 25% of those revenues from the county directly to charters.

So based on our original allocation from the county:

- **\$21,910,978 Total APPROPRIATION from Franklin County, of which:**
 - \$16,390,620 was allocated to FCS
 - \$5,520,358 was allocated to Charters (**this amount is \$1.4M more funding than what was transferred during the 2021-22 fiscal year**)

Due to this significant transfer of local current expense funds, FCS was required to drastically dip into fund balance to close the funding gap of \$4,122,503 to cover the impact of inflationary increases and charter school enrollment not covered by the current level of county funding.

FCS is currently addressing this funding gap of \$4,122,503 by appropriating \$2,934,814 of fund balance to balance the 2022-23 budget. This means that FCS has planned to spend down 44% of fund balance in a single year leaving a projected balance of only \$3,733,696. This reduces the district's ability to offset unknown budget shortfalls as we await pending final legislation impacting the 2023-24 fiscal year. With that being said, earmarking any of the remaining fund balance to offset next year's budget request is not a feasible option. Currently the average overall monthly spending for the district is \$8.5M, which means the fund balance would sustain only 13 days of operation if all streams of revenue were removed. We are requesting \$25,328,192 as a minimum local current expense appropriation for the 2023-24 fiscal year.

How Has Local Current Expense funding been used by FCS?

- Employer Provided Benefits (\$684,174)
- Employer Statutory Benefits (\$3,163,292)
- Operational Support & Maintenance Services (\$5,731,955)
- Purchased Supplies Parts & Materials (\$2,598,512)
- Salaries (locally funded positions only) (\$8,335,190)

Total \$20,513,123

How Has Local Current Expense funding been used by charters?

We have no way of knowing how these funds are used by charter schools once they are transferred.

Capital Outlay Budget Request

- Facilities needs (construction, upkeep etc.) are funded at the county level. This is currently true for public non-charter schools, but pending legislation could open the door to charter school requests for funding for facilities as well.
- We have contracted with Davis Kane Architects/Killian Engineering to complete a comprehensive long range facilities needs assessment for the **next 10 years**. Through this process, they have identified:
 - **\$74 million in repairs and replacement costs over the next 10 years, exclusive of any discretionary improvements**
 - **\$17 million in annual maintenance costs over the next 10 years (exclusive of service contract-custodial, waste management, etc)**
 - **\$59 million for discretionary miscellaneous improvements**
- We are in the process of reviewing assessment findings and consolidating, prioritizing and finalizing a list of these needs so that it can be shared with our stakeholders.
- We also continue to review OrED data on projected enrollment by school for the next ten years, and are prepared to make adjustments as needed to effectively utilize space.

The 2023-24 Capital Outlay request includes recurring expenses such as licenses and fees, safety equipment, lighting, technology, athletics and band. The “Recurring Expenses” request totals \$1,225,000. “New Projects” benefit almost all schools and include carpeting, roof repairs, phone system, etc. for a total of \$1,775,000.

Recurring Expenses	\$1,225,000
New Projects	<u>\$1,775,000</u>
Total	\$3,000,000

Things to Watch: Potential Impacts to 2023-24 Budget

1. Increase combined ADM for FCS and Charter Schools as presented 2-20-23
 - FCS 7,932 and Charters 2,848 = 10,780 Franklin County Students
2. Inflationary Costs (9%+)
3. 2022-23 Funding Gap
4. Charter School Omnibus Bill (HB 219)
5. Matching Benefit & Salary Rate Increases (Depends on final legislative action for the 2023-24 school year)
 - 1.61 percentage points for Retirement
 - \$379 more for medical coverage per employee
 - 4% salary increase (average, but could range 7.5%-10.2% over the next 2yrs)

- 6. Expiration of Pandemic Relief Funds (new environment without funding)
 - \$2.5 Million Local Longevity Based Retention Bonuses
 - Mental Health increased needs
 - Additional Instructional Support
 - HVAC
 - Software & Technology

Long Range (Beyond 2023-24) Considerations

We need to maintain the longevity bonus for employees once COVID relief funds sunset. We are competing for employees in all categories, and as the largest employer in Franklin County this is an area of priority. The projected cost is approximately \$2.5 million annually beginning with the 2024-2025 school year.

We need to discuss a bond referendum or other funding source to address the significant facilities needs identified for the next 10 years. We anticipate a cost of over \$100 million. This does not include a replacement school for Franklinton Elementary School, for which we will continue to apply for needs-based grant funding.

Overall Budget Request to County


Summary of Budget

\$25,328,192 (County Appropriation- Local Current Expense Budget)

\$3,000,000 (County Appropriation- Capital Outlay Budget)

Total Budget Request: **\$28,328,192**

<p>\$18,635,392 (local) \$3,000,000 (capital) Franklin County Schools District</p>	<p>\$6,692,800 <small>Projection details from previous slide</small> Charter Schools (within and outside of district)</p>
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Conclusion

Franklin County is growing rapidly, and the success of our community is reliant upon a strong school system. We are committed to ensuring that Franklin County Schools prepares our students for success in the world beyond the classroom.

This budget request addresses reaching our goals with consideration of student population growth (both public and charter), inflationary increases to goods and services,

and the maintenance and enhancement of our school facilities over the course of the next ten years.

This request is conservative in light of many unknowns related to the state budget and potential legislative impacts. We are confident that these funds are necessary at a minimum to ensure that the educational attainment goals identified by both Franklin County Schools and the Franklin County Board of Commissioners are met.

We appreciate our partnership with the Franklin County Board of Commissioners and the consideration of full funding of this request based upon the identified areas of need.